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RYKADAN CAPITAL LIMITED

宏基資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2288)

DISCLOSURE PURSUANT TO RULE 13.19 OF THE LISTING RULES

This announcement is made by Rykadan Capital Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Pursuant to various banking facilities with lending banks, the Group is required to satisfy certain financial covenants. Based on the consolidated financial statements of the Group for the year ended 31 March 2024, the Group has failed to satisfy one of the financial covenants which is the net worth requirement stipulated in certain banking facilities (the “**Banking Facilities**”). Failure to satisfy such financial covenant constitutes an event of default under the Banking Facilities, which would entitle the relevant bankers to declare the outstanding principal amounts, accrued interests and all other sums payable under the Banking Facilities to be immediately due and payable. As at the date of this announcement, the aggregate outstanding principal amounts of the Banking Facilities are HK\$185,000,000.

The directors of the Company are in discussions with the relevant bankers for the necessary waivers and re-negotiating with them on the terms of the Banking Facilities. As at the date of this announcement, the negotiations are still in progress and the Group is yet to obtain the relevant waivers from the relevant bankers, who have not made any demand for immediate repayment of the bank loans under the Banking Facilities.

The directors of the Company are confident that the necessary waivers will be obtained or the relevant bankers and the Group will be able to reach mutually acceptable revised terms regarding the Banking Facilities. In any event, should the relevant bankers call for immediate repayment of the bank loans, the directors of the Company believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group. Notwithstanding the failure to satisfy such financial covenants, the Group has not experienced any difficulties in obtaining financing with its bankers for its working capital.

The Company will continue to monitor the progress of the negotiations with the relevant bankers and will further announce any material developments as and when appropriate in accordance with the Listing Rules.

Shareholders of the Company and potential investors in its shares are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Rykadan Capital Limited
宏基資本有限公司
CHAN William
Chairman and Chief Executive Officer

Hong Kong, 26 June 2024

As at the date of this announcement, the Board comprises Mr. Chan William (Chairman and Chief Executive Officer) and Mr. Lo Hoi Wah, Heywood (Chief Financial Officer) as executive directors, Mr. Ng Tak Kwan as a non-executive director and Mr. To King Yan, Adam, Mr. Ho Kwok Wah, George and Ms. Khan Sabrina as independent non-executive directors.